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Country programme for Seychelles (2003-2006)*

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* The collection and analysis of current data required to present the Executive Board with the most up-to-date information has delayed submission of the present document.

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I. Situation analysis

1. Since independence, Seychelles has managed its economy in a pragmatic way, evolving its development strategies in the light of emerging problems and opportunities. This strategy has brought about significant changes and has transformed the country from a quasi mono-crop agricultural economy (cinnamon and copra) to a dual economy heavily dependent on tourism and fishing and highly vulnerable to external factors. Generous foreign aid during the cold war era allowed for heavy investments in social infrastructure and, progressively since 1984, to a more diversified economy, a policy essential for export growth, import substitution, employment generation and greater self-reliance. In the early 1990s, Seychelles adopted a more market-oriented approach as the Government embarked on a privatization programme. This pragmatic approach allowed Seychelles to achieve impressive progress through a generous welfare system, as shown by the country's socio-economic indicators. The *Human Development Report 2001* classified Seychelles among the list of countries having achieved medium human development, with a gross domestic product per capita of $7,500, a human development index (HDI) of 0.786 and ranking of 53, life expectancy of 71 years, enrolment ratio of 76 per cent literacy rate of 84 per cent and population growth of 1 per cent. Seychelles tops the list of sub-Saharan African countries on the HDI. However, since the beginning of the 1990s, Official Development Assistance flows to Seychelles have fallen by over 75 per cent, placing an undue financial burden on the Government's budget as it has to borrow increasingly at commercial and market rates to finance its development efforts. This new development corresponds to a slowdown of the real economy resulting from the foreign exchange shortage.

2. Seychelles is party to many international conventions, including the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the United Nations Framework Convention on Climate Change (UNFCCC), the United Nations Law of the Sea Convention, the International Convention for the Prevention of Pollution from Ships (MARPOL 73/78), the Basle Convention, the Rotterdam Convention, the Convention on Desertification and the Montreal Protocol. Seychelles hosts the Regional Coordinating Unit for the implementation of the Nairobi Convention and adopted, in 1994, the Barbados Declaration and Programme of Action at the United Nations global conference on the sustainable development of small island developing states. In 1997, Seychelles prepared its national biodiversity action programme and in 2000 it submitted its first national communication to the Conference of the Parties of the UNFCCC and is preparing its national assessment for the World Summit on Sustainable Development to be held in Johannesburg from 26 August to 4 September 2002.

3. As a small island developing State (SIDS), Seychelles is characterized by the inherent vulnerabilities of SIDS, i.e., its small land area and population, remoteness from major markets, limited natural resources and environmental vulnerability. The major assets are truly the rare beauty of the island's environment and the long-term strategic importance of its natural resources and unique biodiversity. The major environmental issues include increased urbanization of the main granitic islands, threats from invasive species, natural resources pressures, low storage and retention capacity of freshwater resources, wastewater problems, and the environmental impacts of tourism, climate change and sea-level rise. The conservation and sustainable use of the natural and biological resources are of vital importance for the country's sustainable development. Given that the main engine of growth rests on only tourism and fishing and the limited success from diversification efforts, future economic growth will come from further expansion of these two industries, both of which are inextricably linked to the quality of the natural and physical environment.

4. The main challenge will be to translate and integrate at the policy level, and in practice, the quality of the physical and natural environment. The full integration of those environmental, social and economic dimensions into a long-term perspective is of paramount importance in order to address future challenges for sustainable human development in Seychelles.

II. Past cooperation and lessons learned

5. The first country cooperation framework (CCF) (1999-2000), which focused on (a) the national long-term perspective study; (b) private sector development; (c) management of technical cooperation; and

(d) reform of social security was approved when the country graduated to the net contributor country (NCC) status. Given the precarious foreign exchange situation and the obligation to reimburse any target for resource assignment from the core (TRAC) funding utilized, the first CCF has not been fully implemented.

6. The most successful project to have been fully implemented is Assistance to the Implementation of the Environment Management Plan for Seychelles (EMPS-2000), which strengthened the capacity of the Government in environmental monitoring and established national standards for air, water, and noise quality. The project had a high impact and collaborative programming with other donors (France, European Union, the Agence de coopération culturelle et technique and Indian Ocean Commission). UNDP has also assisted the Government to prepare its first national communication to UNFCCC.

7. The country programme review of June 2000 recommended that future UNDP cooperation be targeted at capacity-building in upstream policy/strategy and dialogue in key areas such as environment, the advancement of women, governance issues, tertiary education, national administration and tourism.

8. UNDP agreed with the Government request to formulate a country programme based on non-core resources to support the new environmental management plan.

III. Proposed programme

9. Given the limited presence of resident United Nations organizations (only the World Health Organization has a liaison office) and programme operations in Seychelles, the country review meeting of June 2000 agreed that it would be more effective to carry out joint initiatives and monitoring missions instead of preparing a United Nations Development Assistance Framework (UNDAF) for Seychelles.

10. The country programme for Seychelles for 2003-2006 has been guided by the consultations between key national stakeholders (the Government, non-governmental organizations (NGOs), civil society organizations (CSOs), the private sector) and the United Nations system. Given the modest level of available resources, the new country programme focuses on upstream support for the implementation of the second environment management plan for Seychelles (EMPS-II). This strategy has been guided by the national development priorities, the comparative advantage of UNDP in the area of environmental governance and a realistic assessment of available funds as well as the potential for resource mobilization from the Global Environment Facility (GEF), other environment trust funds and other donors.

11. The proposed activities complement ongoing activities being implemented under the Convention on Biodiversity and UNFCCC at the national level. Based on this strategy, the country programme will focus specifically on the following four programme areas.

Institutional and human capacity-building for EMPS II

12. *Strengthened capacities and partnerships with environmental NGOs.* This initiative will build on the recommendations of the NGO partnership meeting, held in Seychelles in August 2001. At the end of the country programme, it is expected that a functioning mechanism for environmental NGO participation in the implementation of EMPS II will have been established.

13. *Gender, environment and poverty.* A diagnostic study and specific strategy for mainstreaming gender issues in environment and poverty alleviation among women will have been prepared and implemented in consultation with all stakeholders. The strategy will be used as leverage to build partnerships with other interested donors.

14. *Development of a coordinated framework for resource mobilization.* UNDP will assist the Government in mobilizing support for capacity-building from United Nations organizations and from regional organizations for EMPS II. In particular, such support for capacity-building will be provided in the following sub-areas of EMPS II: (a) population environmental resources and information programme; (b) regional and international cooperation in coordination with existing regional initiatives; (c) sustainable agriculture; and (d) toxic waste management. The use of South-South cooperation and technical expertise will be enhanced through the utilization of SIDS experts, technical cooperation among developing countries (TCDC) modalities and technical cooperation. UNDP will enhance networking

with other United Nations organizations, regional organizations and subregional organizations.

Integrated water management

15. *Promote sustainable measures to increase potable water supply to the population in granitic islands with an integrated river-basin approach.* Cooperation will focus on the improvement of safe yield of water resources for integrated river-basin management, aimed at increasing water supply in a selected area of Mahe through innovative approaches.

16. *Promote sustainability of wastewater management.* Cooperation will focus on the improvement of wastewater systems and on their sustainable management. Institutional and human-resource capacity will be strengthened through enhanced community and private-sector participation.

Biodiversity conservation, including community participation

17. *Improve the institutional capacity for the conservation and management of terrestrial ecosystems of the granitic islands.* Cooperation will focus on key forest ecosystems and identified priority threats. In view of the very small area of the islands and the fact that many socio-economic activities occur in the proximity of the habitat of vulnerable biodiversity, cooperation will involve local communities in decision-making and in management of the biodiversity resources. It is expected that biodiversity conservation will be improved through better management of natural habitats, improved techniques for controlling invasive species and bush fires.

18. *Enhance the role of NGOs and communities through the adoption of participatory approaches to biodiversity conservation in selected areas.* A new mechanism for community and local group dialogue with the Government on environmental conservation will be developed.

Climate change and energy efficiency

19. *Establishment of key adaptive technologies for climate change.* Being party to UNFCCC, Seychelles submitted its first national communication to the Conference of the Parties in 2001, cooperation will focus on establishing key technology needs for the mitigation of the impact of climate-change and for capacity-building in this area. It is expected that, at the end of the country programme, sufficient national capacity will exist in Seychelles to implement the action plan for climate change.

20. *Development of a pilot project in renewable energy.* Through appropriate mechanisms and technical cooperation, the Government will initiate the implementation of various demonstration projects based on key technologies to promote and enhance the use of renewable and alternative energy sources.

21. *Enhancement of regional and international cooperation in land use and coastal management.* Land use and coastal management are key management opportunities for the reduction of vulnerability to sea-level rise in small island States, especially when more than 90 per cent of all infrastructure and socio-economic activities occur on the coastal zone. UNDP will assist the Government in developing regional and international networks with a view to enhancing opportunities for technology and skill transfer within this key area.

IV. Programme management, monitoring and evaluation

22. *National execution and programme approach.* As far as management modalities are concerned, it was agreed that the programme approach and national execution modalities are still considered relevant in the Seychelles context. These modalities will therefore be used in the new country programme. National execution will not exclude the use of the expertise, experience and international contacts of United Nations specialized agencies, funds and programmes when appropriate, in order to provide technical cooperation and advice to the Government, EMPS coordination unit, and UNDP.

23. *Monitoring, review and reporting.* The country programme will be reviewed annually. The strategic results framework and the results-oriented annual report will be the key instruments for the management and monitoring of the performance of the country programme. Programme and projects will be subject to UNDP monitoring and evaluation mechanisms. These activities will be synchronized with the general review

of EMPS-II implementation and with new opportunities for financing.

24. *Partnership and resource mobilization strategy.* The resource mobilization and partnership strategy for the country programme will hinge on regular policy dialogue with strategic partners. In this context, UNDP is working jointly with the World Bank to prepare PDF B proposals for implementation of a Full Size GEF project in Integrated Ecosystem Management for presentation to the GEF for implementation by 2003. Firm commitment has already been received from the Government on cost-sharing of GEF-funded projects. Part of the UNDP TRAC carry-over from the first CCF will be used as seed money to prepare project documents of targeted EMPS subprogrammes and to mobilize additional resources from partners.

25. Beyond GEF and government cost-sharing, UNDP will assist the Government in further exploring areas of collaboration with the private sector and partnership to promote eco-tourism. UNDP can help by facilitating TCDC approaches, exposing its partners to examples from other countries, e.g., Barbados and Costa Rica.

Annex

Results and resources framework for Seychelles

Strategic areas of support	*Intended outcomes*	*Outcome indicators*	*Outputs, including key output indicators*	*Resources by strategic areas of support*
Institutional framework for sustainable environment management and energy development (Programme Area A1 and D2)	Improved capacity of -- local authorities, community-based groups and private sector in environmental management and sustainable energy development.	Pilot programmes in operation to assess the replicability of multi-stakeholder approaches to environmental management and provision of sustainable energy services. Baseline: Renewable energy policy prepared in 1999. Target: Implementation of renewable energy policy through the replication of renewable energy projects on Mahe Island, Praslin and La Digue (three main islands) and on the outer islands. Baseline: No legal framework for NGO/Government partnership. Target: Establishment of NGO/Government partnership framework and 25 per cent of Environment Management plan (EMP II) implemented by NGOs by end 2006.	Output: Adoption of energy efficiency technology in the transport sector. Indicator: Implementation of pilot project on renewable energy through demonstration project in the transport sector. Output: Capacity-building of environmental NGOs in environmental management. Indicator: NGO institutional framework established and memorandum of agreement signed with the Government and environmental NGOs.	Regular resources: $0 Other resources: Government cost-sharing: $80,000 GEF: $200,000

Strategic areas of support	*Intended outcomes*	*Outcome indicators*	*Outputs, including key output indicators*	*Resources by strategic areas of support*
Monitoring and assessment of environmental sustainability (Programme area A1, A2)	Improved national capacity to monitor environmental conditions and trends and to assess policy performance in promoting environmental sustainability.	Key aggregate indicators for assessing environmental sustainability are adopted and regularly updated by the Government. Baseline: No integrated environmental information system. Target: 50 per cent increase in the amount of disaggregated data on environmental sustainability.	Output: Set of monitoring and assessment indicators developed and environmental institutions trained in the use of environmental information system. Indicators: Establishment of an increased use of integrated environmental information system for monitoring and assessing environmental sustainability and the number of environmental institutions trained.	Regular resources: $0 Other resources: Government cost-sharing: $520,000
	Improved awareness and understanding among decision makers and the public of linkages between environmental sustainability and human poverty and well-being.	Media coverage of environmentally sustainable development issues. Baseline: Regular media coverage of national and local environmental issues. Target: 50 per cent increase in media coverage of environmental programmes and issues focusing on sustainable development, poverty and well-being, involving community participation.	Output: Awareness-raising and capacity-building of environmental educators, media and local communities in environmental management and sustainable development issues through participatory approaches to environmental protection. One workshop organized per district. Indicator: Number of workshops/seminars, public debates and media	Regular resources: $0 Other resources: Government cost-sharing: $200,000

Strategic areas of support	*Intended outcomes*	*Outcome indicators*	*Outputs, including key output indicators*	*Resources by strategic areas of support*
			coverage of these events on a regular basis targeting local community participation organized per district. Number of environmental educators/media people trained in environmental sustainability issues.	
3.2.2 National capacity for participation in global conventions, regulatory regimes and funding mechanisms for environmentally sustainable development. (Programme Area C1, C2, D2)	Global environmental concerns and commitments integrated in national development planning and policy.	Adoption by the Government of a national strategy/plan/programme as required by the Biodiversity, Climate Change and/or Desertification Conventions, with national implementation targets. Baseline: National Biodiversity Strategic Action Plan and National Communications prepared by the Government in 1997 and 2000 respectively. Target: Implementation of 40 per cent of the targets set out in the National Communications and the NBSAP.	Output: Implementation of the top-up proposal for capacity-building in climate change to assess technology needs and adaptation options. Implementation of the joint GEF project on integrated ecosystem management.	Regular resources: $0 Other resources: Government cost-sharing: $4,200,000 GEF: $3,300,000
			Regular resources	**$0**
			Other resources: Government cost-sharing	**$5 000 000**
			GEF	**$3 500 000**
			Grant total	**$8 500 000**